

From: Lewis Stepp
To: Microsoft ATR
Date: 1/2/02 3:29pm
Subject: Microsoft Settlement

2477 Fairgrove Court
Cincinnati, OH 45244
January 2, 2002

Renata B. Hesse
Antitrust Division
U.S. Department of Justice
601 D Street NW
Suite 1200
Washington, DC 20530-0001

Dear Ms. Hesse:

I am writing you to submit comments about the antitrust settlement against Microsoft (United States v. Microsoft Corp., Civil No. 98-1232) pursuant to the Tunney Act. I am a retired US citizen and a software user whose only links with Microsoft are 400 shares of stock in my IRA retirement account. Before retirement, I was an information technology consultant for Computer Sciences Corporation and Spherion Corporation. I appreciate the excellent operating system and office software that Microsoft has created and how their products have contributed to jobs in the information technology sector and to increased efficiency throughout the business sector. Microsoft was not known as a monopolist when they introduced the Windows operating system. Indeed, they had some formidable competitors and they "bet the company" on development and marketing of an innovative new operating system and other office software. They won the market because they offered "world class" software at an affordable price with consumer benefits and features that no one else matched. For several years, I was a subscriber to the Microsoft Developer Network (MSDN) which, as a systems consultant, provided me with lower cost software and better training than was available from any other software vendor.

Microsoft customers and stockholders have been the beneficiaries of Microsoft's success. Microsoft competitors and some of their customers may have suffered, but that is the nature of our enterprise system. It is not something for which Microsoft should now be punished. Indeed, Microsoft is deserving of public respect for developing and providing a low cost "standard" operating system that has enabled large numbers of software developers to bring significant networking and productivity improvements to our lives and to our economy.

In a recent meeting of the Senate Judicial Committee, the court rulings were interpreted to say that Microsoft "did in fact violate anti-trust laws and did hurt the market place". It may be true that Microsoft was an

?overzealous competitor? who, in a very competitive situation, did harm its competitors to an extent that violated some laws, but it is obvious to most software users that they did not hurt the software market place. Indeed, Microsoft's development of an advanced and broadly accepted PC operating system brought swift changes to the software market and grew the market. The improvements that they brought to PC operating systems are remarkable compared to the much less friendly and text oriented PC operating systems previously introduced by IBM and others. As a result, almost everyone today is able to be a computer and software user.

Based on a misguided interpretation of the court rulings, a member of the Senate Judicial Committee stated that Microsoft actions resulted in the effective destruction of Netscape and Java. Yet Netscape was sold to AOL for billions of dollars and Java is still a popular programming language supported by many major vendors such as Borland and Sun. A version of the Netscape browser was always available for free. In its formation years, Netscape developed many competitors who also offered their products for free. Every operating system eventually included a free browser. It is reasonable for the court and public to question if there ever was a true browser market. The district judge in the Microsoft case said that there was no evidence that Java would be successful as an alternative "platform" to the Windows operating system. Indeed, time may prove that Java was a flawed concept. The prophecy of competitors should not be considered fact.

The Judicial Committee questioned if the settlement was in the public interest. Certainly the public wants to see this case settled. The current district judge asked the parties to work night and day to reach a settlement. Mr. James, from the Justice department, has indicated that the settlement goes beyond the court rulings to include other restraints on Microsoft that would not prevail in a court decision since they were not considered in the trial. These include restraints on server operating systems for which Microsoft does not possess monopoly power. Only Microsoft competitors, not the public, want more.

The Justice Department and Microsoft have reached a fair settlement in this case. Microsoft needs to move forward and to continue serving its customers and stockholders. There is no justification for the courts to continue to investigate and punish Microsoft when there are other companies and market place problems that need greater attention in our legal system, such as the Enron debacle.

The court made a wise decision not to dismantle Microsoft. According to a recent Wall Street Journal article, the US Postal Service revenues are more than those of Microsoft, McDonald's and Coca Cola combined. No one wants to dismantle the US Postal Service simply because it operates as a monopoly or protects its monopoly. We need a universal standard operating system for our computers in much the same way that we need a universal standard mail service for our homes and business. I hope that this case can conclude without destruction of one of the most innovative and successful American

companies. We only wish that the US Postal Service was equally innovative and efficient.

Sincerely,

Lewis Stepp

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